

First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575
Fax 847 318-7588

VIA FEDERAL EXPRESS



April 19, 1999

RECORDATION NO. 22145 FILED

APR 20 '99

11-00AM

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated April 7, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Southwest Rail Industries, Inc.
P.O. Box 65
Weimer, TX 78962

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Tiffany Chase".

Tiffany Chase
Manager of Documentation

Enclosures

(SRII008)

EXHIBIT A
to
RIDER NO. 2

RECORDATION NO. 22145 FILED

APR 20 '99

11-00AM

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 7th day of April, 1999, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Southwest Rail Industries, Inc. ("Lessee"), a Texas corporation.

W I T N E S S E T H:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of June 1, 1993 as amended July 1, 1997 as assigned thereto, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of February, 1999 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: K.A. Dombrowski
Name: K.A. DOMBROWSKI
Title: DIRECTOR OF DOCUMENTATION

By: Richard F. Seymour
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing

Executed on this 7th day of April, 1999.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

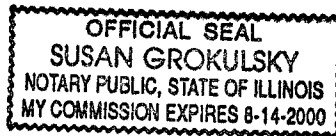
I, SUSAN GROKULSKY, a Notary Public of the County and State
aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and
acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 7th day of April,
1999.

Susan Grokulsky
Notary Public

My Commission Expires:

8-14-2000
(Notary Public)



LESSEE:

SOUTHWEST RAIL INDUSTRIES, INC.

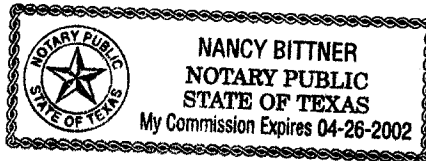
ATTEST:

By: Chris Garmoe
Name: Chris Garmoe
Title: VP

By: Robert R. Huette
Name: ROBERT R. HUETTE
Title: PRESIDENT

Executed on this 25th day of March, 1999.

[CORPORATE SEAL]



STATE OF Texas

COUNTY OF Colorado

I, NANCY BITTNER, a Notary Public of the County and State aforesaid, certify that ROBERT R HUETTE personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

1999. WITNESS my hand and official stamp or seal, this 25th day of March,

Nancy Bittner
Notary Public

My Commission Expires:

4-26-2002
(Notary Public)

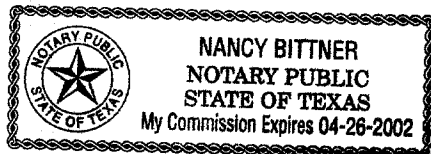


EXHIBIT A
to
Memorandum of Lease

NUMBER OF CARS: Eighteen (18)

DESCRIPTION OF CARS: Plastic Pellet Hopper Cars, 5851 cubic foot

CAR NUMBERS: TQEX 58013
 TQEX 58020
 TQEX 58024
 TQEX 58160
 TQEX 58233
 TQEX 58241
 TQEX 58272
 TQEX 58277
 TQEX 58288
 TQEX 58303
 TQEX 58323
 TQEX 58334
 TQEX 58371
 TQEX 58372
 TQEX 58374
 TQEX 58389
 TQEX 58428
 TQEX 58491